UNITED
NATIONS

A

General Assembly

Distr.
GENERAL

A/49/7/Add.7
19 December 1994

ORIGINAL: ENGLISH

Forty-ninth session
Agenda item 107

PROGRAMME BUDGET FOR THE BIENNIUM 1994-1995

Revised estimates for section 31, Office of Internal Oversight Services

Eighth report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General (A/C.5/49/54) on revised estimates for section 31, Office of Internal Oversight Services. During the course of its consideration, the Advisory Committee met with representatives of the Secretary-General, who provided additional information.

2. The Office of Internal Oversight Services was established by the General Assembly by its resolution 48/218 B of 29 July 1994 and assumed the functions of the Office of Inspections and Investigations, as amended by the resolution. The Office, under the Under-Secretary-General for Internal Oversight Services, has as its purpose to carry out functions in accordance with the provisions of resolution 48/218 B.

3. The Advisory Committee notes from paragraph 2 of the Secretary-General's report that in the proposed programme budget for the biennium 1994-1995, no additional staff or budgetary provisions were made for the Office for Inspections and Investigations other than the redeployment of a post at the assistant secretary-general level to head the Office. That Office, which had been established in September 1993 by combining the resources of four existing units (i.e., the Internal Audit Division, the Management Advisory Service, the Central Evaluation Unit and the Central Monitoring Unit), comprised the Office of the Assistant Secretary-General, the Central Monitoring and Inspection Unit, the Central Evaluation Unit, the Audit and Management Control Division and the Investigation Unit. Minimal staff assistance for the Office of the Assistant Secretary-General was provided by redeploying one Professional post at the P-4 level and two General Service posts from the Audit and Management Control

Division. Also, the staff provisions for the Inspection Unit were met by the redeployment of seven posts (one D-1, one P-5, one P-4, one P-3, and two General Service) from the former Internal Audit Division and Management Advisory Service.

4. The Under-Secretary-General, Office of Internal Oversight Services, was appointed for a five-year term beginning on 15 November 1994, in accordance with the provisions of General Assembly resolution 48/218 B. The Advisory Committee was informed that upon the establishment of the post of Under-Secretary-General to head the new Office, the post of Assistant Secretary-General previously transferred to the Office of Inspections and Investigations ceased to exist.

5. As indicated in paragraph 4 of the Secretary-General's report, although the Office of Internal Oversight Services is currently preparing its 1996-1997 budget proposal, it was determined, following a review of requirements by the Under-Secretary-General, that urgent additional staff resources will be needed in 1995 in order to address the aims and purposes for which the Office was created by the General Assembly. Notwithstanding the comprehensive approach taken by the Office in coordinating its activities with the United Nations Board of Auditors, the Panel of External Auditors and the Joint Inspection Unit in order to minimize duplication of efforts, the Advisory Committee was apprised of the need for additional resources for the Office in 1995 and for the 1996-1997 biennium. In this connection, the Committee trusts that arrangements for cooperation between the Office and the above-mentioned entities will be concluded as soon as possible.

6 With regard to 1995, the Secretary-General is therefore requesting the establishment of eight new posts (one P-5, three P-4, one P-3, two General Service (principal level) and one General Service (other level)) for three areas of the Office of Internal Oversight Services, namely, the Office of the Under-Secretary-General, the Audit and Management Control Division and the Investigation Unit. The Advisory Committee was informed that this is the minimal request from the Office, in the light of its expanded mandate and the critical and important results expected from it by the General Assembly.

7. Upon request, the Advisory Committee was informed of the urgent need to strengthen the coordination and planning function within the Office of Internal Oversight Services, as well as the capability of the Office to report to the General Assembly. In this regard, the Secretary-General requests one Professional at the P-5 level and one General Service post at the principal level for the Office of the Under-Secretary-General.

8. The Advisory Committee notes from paragraph 5 of the Secretary-General's report that currently certain services are provided by the Executive Office of the Department of Administration and Management. However, the Committee understands that the Under-Secretary-General, Office of Internal Oversight Services, in keeping with the need for operational independence, has received delegated certifying authority for all the accounts of his Office. Furthermore, in order for the Under-Secretary-General to exercise the necessary degree of latitude and control over the personnel and resources necessary of the Office of Internal Oversight Services, this includes, with respect to staff of the Office, delegated authority to appoint, promote and terminate staff similar to that

delegated by the Secretary-General to the heads of programmes, funds or subsidiary organs enjoying special status in these matters. The Advisory Committee recommends that the Secretary-General ensure the operational independence of the Office of Internal Oversight Services in accordance with the terms of General Assembly resolution 48/218 B. In this regard and also for the purpose stated in paragraph 5 above, the Committee recommends approval of the establishment of two additional posts (one P-5 and one General Service at the principal level) for the Office of the Under-Secretary-General.

9. In paragraphs 7 and 11 of his report, for the Audit and Management Control Division, the Secretary-General requests two Professional posts - one P-4 level post for electronic data-processing (EDP) audits and one P-4 or P-5 level post for management audits - and one General Service (other level) post.

10. As mentioned in paragraph 3 above, the staff resources of the former Internal Audit Division and Management Advisory Service were greatly diminished when various posts were redeployed to other units of the former Office of Inspections and Investigations. During the hearing, the Committee was informed that, in spite of the number of extrabudgetary posts in that Division (35 posts as shown in A/C.5/49/54, annex II), the serious shortage of staff was hampering the ability of the Division to fulfil its responsibilities. This situation has been aggravated by the expansion of the scope of activities to be audited, particularly in areas that demand highly specialized expertise such as the Integrated Management Information System (IMIS) and other technologically oriented areas, e.g., telecommunications.

11. The need to enhance oversight and to strengthen internal control has been of great concern to Member States in recent years. In this regard, and as expressed during the hearing, the Committee concurs with the view of the Under-Secretary-General, Office of Internal Oversight Services, that careful staff resource planning in this area is critical to the strengthening of mechanisms for enhancing internal oversight. The Advisory Committee recommends approval of the establishment of two Professional (one P-5 and one P-4) posts and one General Service post.

12. In paragraph 19 of his report, for the Investigations Unit, the Secretary-General requests two additional Professional (one P-4 and one P-3) posts and one General Service post at the principal level.

13. The Advisory Committee notes from paragraph 14 of the report that the Investigations Unit, as established in February 1994, has only five Professional posts (one D-1, one P-5, two P-4 and one P-3). Given the activities to be carried out by this unit in accordance with General Assembly resolution 48/218 B, the Advisory Committee concurs with the Secretary-General's view of the need to strengthen this functional area. The Advisory Committee therefore recommends approval of the establishment of two additional Professional posts and one General Service post as requested by the Secretary-General. In this connection, the Advisory Committee trusts that the staff of the Investigations Unit will receive adequate training taking into account the special needs of the United Nations and its international character.

14. In view of its recommendations in the paragraphs above, the Advisory Committee recommends, subject to the procedures for the use and operation of the contingency fund, additional appropriations of $396,100 under section 31 of the programme budget for the biennium 1994-1995. There would also be a need to appropriate an amount of $103,500 under section 28 (Staff assessment) of the programme budget for the biennium 1994-1995, to be offset by an increase of the same amount under Income section 1.

15. Bearing in mind paragraph 9 of General Assembly resolution 48/218 B, the Advisory Committee requests the Secretary-General, in the context of his proposed programme budget for 1996-1997, to provide a comprehensive analysis and justification of human resource requirements of the Office of Internal Oversight Services. This analysis should include a functional breakdown and information on the ratio of General Service to Professional staff.